

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of SBC California
(U 1001 C) for a Surcharge and a Balancing
Account to Recover Undergrounding Costs in the
City of San Diego.

Application 05-03-005
(Filed March 3, 2005)

**ADMINISTRATIVE LAW JUDGE'S RULING SETTING PREHEARING
CONFERENCE AND GRANTING MOTION TO LATE-FILE PROTEST**

Prehearing Conference

A prehearing conference shall be held:

**Tuesday, May 24, 2005
2:00 p.m.
505 Van Ness Avenue
Commission Hearing Rooms
San Francisco, CA**

Prior to the prehearing conference, the parties shall meet and confer regarding the issues in this proceeding. In general, the meet-and-confer should try to identify material disputed facts (if any), and otherwise articulate and limit the issues to be resolved. Regarding NRF-related ratemaking issues, the parties should discuss the question of how cost savings from the undergrounding, i.e., reduced maintenance and repair, could be offset against installation costs. The parties should also discuss whether other practical alternatives exist for communities to fund undergrounding of utilities. Finally, the need for public participation hearings in San Diego should be evaluated.

At the prehearing conference, the parties should be prepared for a full discussion of all issues, the need for evidentiary hearings, and the potential for using alternative dispute resolution techniques to resolve the issues in this proceeding.

Motions for Acceptance of Late-Filed Protests

On April 18, 2005, the Commission's Office of Ratepayer Advocates (ORA) filed a motion requesting permission to late-file its protest to this application. ORA stated that accepting its protest for filing would not unduly prejudice any party because no procedural schedule has been adopted. ORA also stated that it was uniquely qualified and legislatively mandated to protect the interests of San Diego ratepayers. Via electronic mail, SBC-California stated that it did not object to the motion, and that it would file its reply to the protest no later than May 2, 2005.

For good cause shown, ORA's request is granted. The Docket Office shall accept the protest as timely filed.

On April 29, 2005, Telscape Communications, Inc. (Telscape) filed a motion seeking permission to late-file its protest to the application, with the protest attached. In its protest, Telescape stated that SBC-California proposes to place a surcharge on the fees Telscape pays to lease unbundled basic loops from SBC. Telscape contended that such a surcharge violates federal law, and that undergrounding costs must be allocated between regulated and unregulated services.

SBC-California shall file and serve any opposition to the motion no later than May 10, 2005. If SBC-California does not oppose the motion, it should file and serve its reply to the protest by May 10, 2005.

IT IS SO RULED.

Dated May 3, 2005, at San Francisco, California.

/s/ MARIBETH A. BUSHEY
Maribeth A. Bushey
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have this day served the attached Administrative Law Judge's Ruling Setting Prehearing Conference and Granting Motions to Late-File Protests on all parties of record in this proceeding or their attorneys of record by U.S. mail.

Dated May 3, 2005, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.